

**ABSTRACT**

A method for disbursing loan proceeds, which has the following steps:

- (a) a borrower residing in a different jurisdiction from the location of a licensed lender contacting said lender about obtaining a loan;
- (b) said licensed lender forwarding the application to said borrower;
- (c) said borrower transmitting the executed loan application and requested documentation to said licensed lender;
- (d) said licensed lender accepting and processing the loan application;
- (e) said licensed lender approving the loan application;
- (f) said licensed lender pursuant to authorization of borrower automatically opening an account for said borrower at a banking institution located in the same state jurisdiction as such licensed lender and its banking institution;
- (g) said licensed lender disbursing the loan proceeds from its funding account at its banking institution to said borrower's newly created bank account;
- (h) such loan proceeds then being automatically wired from said borrower's new bank account at said banking institution in the same state jurisdiction as such the licensed lender and its banking institution to a bank checking account of said borrower in a different state jurisdiction where said borrower currently banks;
- (i) and, said licensed payday lender, pursuant to a pre-authorization by borrower, arranging repayment of such loan through the Federal Reserve to debit the loan amount and accrued interest and fees from said bank account of borrower in his/her home state jurisdiction by having such money wired to the bank account of the licensed lender at such licensed lender's banking institution.